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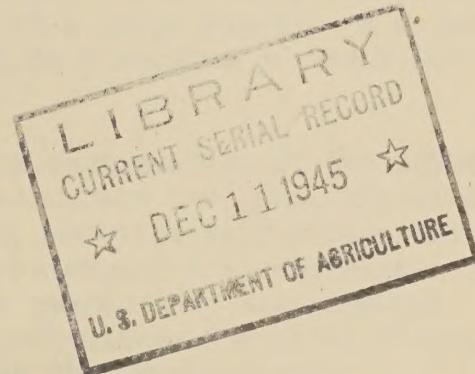
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Division of Program Surveys

Washington, D. C.

FARMERS' VIEWS ON POSTWAR PROGRAMS FOR WHEAT

A survey of the major
wheat-producing areas



STUDY 121-III • OCTOBER 1945 • FOR ADMINISTRATIVE USE ONLY

SUMMARY AND CONCLUSIONS

1. Very few commercial wheat growers are aware of the Government's commitment to support the price of wheat for two years after the war.
2. They generally expect the wheat situation to be favorable for at least two years, believing that foreign demand will be very heavy. After these two years, however, many fear that the wheat price will fall and their incomes will be jeopardized.
3. Little change in the amount of wheat grown in the United States is expected by farmers for the immediate postwar period. Growers expect to continue planting at about their present rate unless the price falls drastically. When the price commitment is explained to them, they say it may prevent a drop in production, but they do not fear that it will mean overproduction, for they believe demand will be great enough to take care of a large supply. A majority of wheat growers think there will not be a surplus of wheat for at least two years after the war.
4. Wheat growers strongly approve of a continuation of the price supports after the war. The price-support law, when explained to those who are not familiar with it, receives very widespread approbation, for even though many farmers expect a strong demand for wheat during the first two postwar years, they nevertheless feel that it is desirable to have the protection of a price floor, to arrest any downward trend in prices that might occur.
5. In case a surplus of wheat should develop, a majority of Western wheat growers say, a program to control production should be undertaken; opinion in the Eastern soft-red-winter-wheat region is divided on this point.
6. A program in which the Government would buy up a surplus of wheat without controlling production in any way is more often disapproved than approved of. It is considered to be too expensive a program, and one that would not solve the surplus problem in the long run.

7. When wheat growers express their attitudes about various kinds of Government activity in the postwar wheat market, they tend to fall into four groups having distinct points of view:

(A) Those who want price supports, and advocate whatever restrictions are necessary to make supports sound policy for the whole nation:

This is a large group--nearly half of those interviewed. These farmers believe that the consequences of abandoning price supports would be serious, and would mean depressed conditions for wheat farmers. In their capacity as citizens, however, they feel they cannot recommend that the Government should support the price of wheat while allowing wheat growers to produce to the limit of their capacity, for they believe that this policy would be too much of a burden on the nation and would be wasteful of the country's resources. They believe that if the Government supports prices it has the right, even the obligation, to limit production, if demand is not great enough to absorb what would be produced otherwise.

(B) Those who want all the benefits but none of the restrictive features of controls:

A small group--less than 15 percent--would like to see the Government guarantee a price, but not control the farmer in any other way even in case a surplus develops. They do not want the personal inconvenience that comes with limitation of production, and they would like to have the Government maximize their incomes by supporting the price while not limiting the amount of wheat they market. If a surplus is produced they simply want to have it taken off their hands, and are not particularly concerned about possible consequences of this policy for the whole economy.

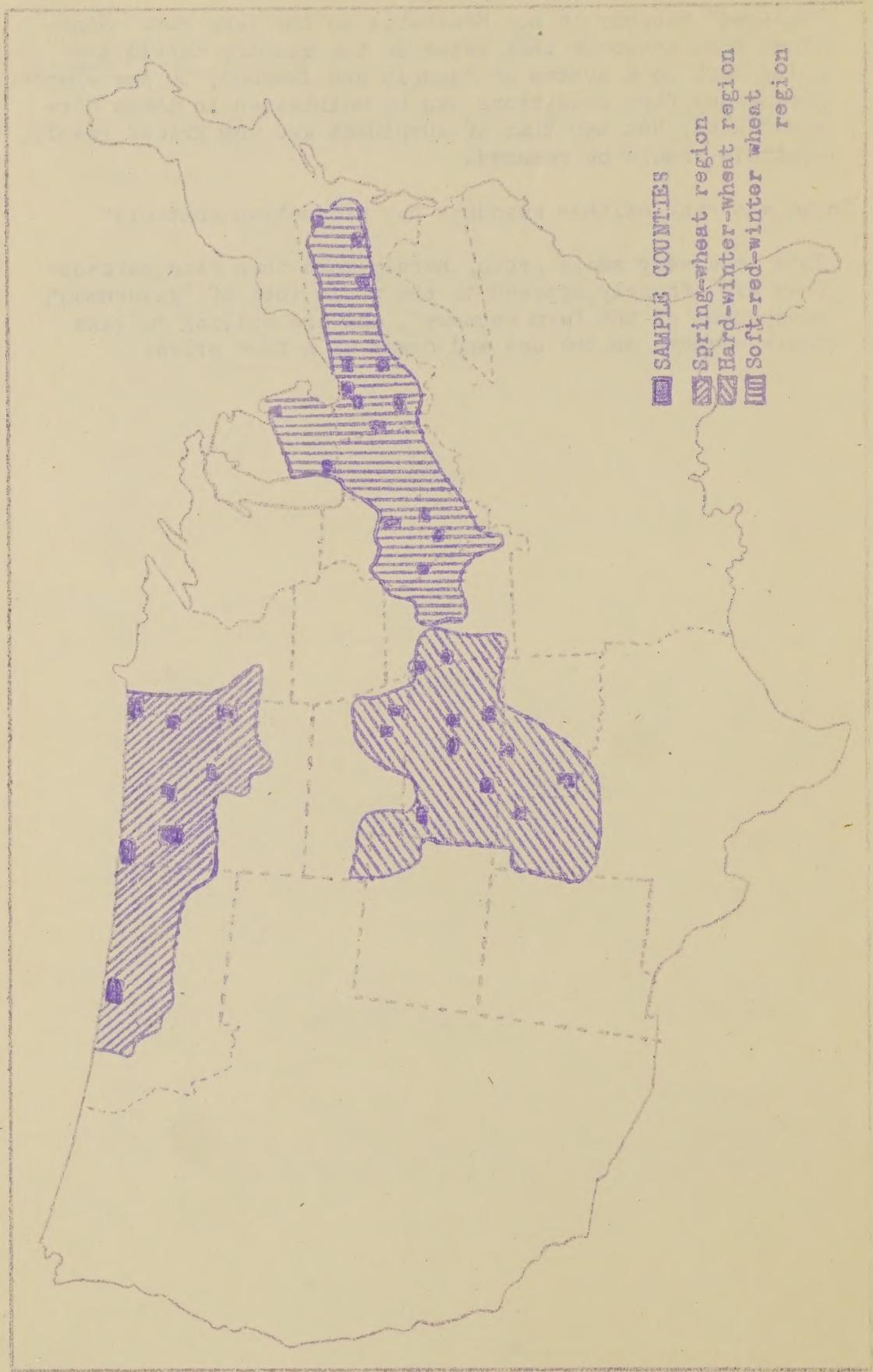
(C) Those who are torn between their desire for independence and their desire for the security which they believe regulation of prices and production brings them:

This group--over a fourth of those interviewed--see certain advantages in price supports and production control, in that these measures protect them from surpluses and the attendant drop in farm prices; on the other hand, they think that a

"managed" economy is not desirable in the long run. Sometimes they advocate that later on the country should try going back to a system of "supply and demand", to see whether prosperous farm conditions can be maintained in these circumstances, but say that if surpluses and low prices result, controls should be resumed.

(D) Those who want neither supports nor production control:

This is a very small group, hardly more than five percent. They are strongly opposed to the whole idea of "government management of the farm economy", and are willing to take their chances on the ups and downs of a free price.



LOCATION OF SAMPLE COUNTIES, AND REGIONS REPRESENTED*

*Roughly outlined.

INTRODUCTION

THE GOVERNMENT has committed itself to supporting the price of wheat at 90 percent of parity for at least two years after the official end of the war. It is believed by some* that with parity or near-parity prices, the wheat farmers of the nation may plant a very large acreage of wheat; if they do so, it is possible that a serious surplus of wheat will develop, for it will be difficult for American wheat at a supported price to compete in the foreign market, and the domestic price will not be such as to encourage use of wheat for feed.

If a surplus develops, it is possible that the Government might be expected to undertake surplus-control measures--either limiting production or subsidizing consumption. Before considering such programs, information is needed about the desires of the wheat growers who will be affected by them. Do these farmers know about the commitment to support the price of wheat? Do they believe there is danger of a surplus? In case of a surplus, would they want the Government to try to do something about it, or would they rather have the Government step out of the wheat picture altogether? If they want some sort of Government program, what kind of program would they prefer?

To answer these questions, a study was made of wheat growers in three major wheat-producing regions:** (1) the hard-winter-wheat region, (2) the spring-wheat region, and (3) the soft-red-winter-wheat region (see map on opposite page). The total sample consisted of 671 interviews in 35 counties throughout the three regions. Only farmers who both sold wheat in 1944, and planted wheat in 1945 were included; farmers growing wheat for use only on their own farms were not interviewed. The number of very low-income farmers who came into the sample was relatively small, probably because this group tends not to produce wheat for commercial channels. In each case it was the operator of the farm (in most cases a man, occasionally a woman) who was interviewed. The dates of interviewing were as follows:

*Heisig, Ahrendes and Merrick, BAE, "Wheat Production in War and Peace", May, 1945.

**A preliminary report, containing findings from the first two regions, was issued in July, 1945.

Region	Dates of interviewing	Number of cases
Hard-winter-wheat	April 16 to May 17	234
Spring-wheat	May 26 to July 1	156
Soft-red-winter-wheat	June 19 to August 6	281

It will be noted that the interviewing was completed before the end of the war, and consequently the farmers interviewed referred to the post-war period as though it were some time away in the future. This report has been written with a similar point of reference in time--as though the war had not yet ended.

Survey method

The Division of Program Surveys conducts studies of administrative problems in which public attitudes play an important part. These studies are planned in consultation with the administrative agencies concerned, and are based on carefully developed sampling methods that make it possible to generalize about large populations from relatively small numbers of interviews. Interviewing is done by a professional field staff using questions and procedures designed to allow respondents full expression of their ideas on the subject of discussion. A professionally trained staff analyzes and tabulates the interviews and interprets the data thus obtained.

For examples of the kind of material from which the percentage figures in this report were obtained, see our report "Six Farmers Talk About the Wheat Situation", issued in August, 1945. This special report is made up of six interviews presented as they were recorded by the interviewers.

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I. HOW WELL INFORMED ARE FARMERS ABOUT THE OUTLOOK FOR WHEAT?

What do farmers think the wheat situation will be like after the war? How much demand do they think there will be, and how do they evaluate the relative importance of foreign and domestic demand? On the supply side of the picture, do they know about the Government's commitment to support the price at 90 percent of parity, and do they think this will affect the amount of wheat that will be produced? What changes in acreage are planned by individual growers? Taking into account both probable demand and probable supply, do farmers believe there will be a surplus of wheat?

Farmers expect the wheat situation to be good for a limited time only

Wheat growers in the three regions studied believe that the wheat market will remain strong for a while after the war, but they are pessimistic about the situation in the long run.

"How does the wheat situation for after the war look to you? In general, do you think it will be good or bad?"*

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Good	15%	24%	31%
First good, then bad	42	32	26
Bad	27	25	30
Undecided, "it depends"	14	18	12
Opinions not ascertained	2	1	1
	100%**	100%**	100%**

* In the soft-red-winter-wheat region, the following question was substituted: "In general, do you think the wheat situation after the war is all over will be good or bad?" This change in wording probably accounts for the greater tendency among farmers in this region to choose "it depends" or "I don't know" in giving a qualified answer throughout this report. (Unless otherwise indicated, the percentages are based on 100 farm operators in the soft-red-winter-wheat (or western) region, 200 operators in the spring-wheat region, and 281 operators in the soft-red-winter-wheat (or Eastern winter-wheat) region.)

When farmers feel that the wheat market will be good for a while, they most often mention two years as the length of time the present favorable situation can be expected to continue, although some believe the downward cycle will not begin for three or four years. (See Appendix, Table 1.)

EXPECTATIONS REGARDING DEMAND

Foreign demand is expected by many farmers to create a favorable wheat market for a limited period. As one farmer puts it:

"Well, for another year after the war, fairly good prices, that's what I look for. All the conquered nations have to have something to eat. After that, it will go back to where it was before in the depression."

The feeling of fear about what will happen to the price of wheat later on seems in many cases to be based on memory of the depression and the belief that a downward cycle is inevitable after a war. As will be seen later, very few farmers are aware that the Government has promised to keep wheat prices high for some time after the war, and when they believe the price will stay high for a while, they do not attribute this to Government action, but rather to strong foreign and domestic demand which they expect to prevail as an aftermath of the war.

For two years, demand for wheat
is expected to be great

Most wheat growers believe that the demand for wheat during the first two years after the war will be at least as good as it is now, or even better:

"Do you think the demand for wheat in this period—the first two years after the war—will be about the same, larger, or smaller than it is now?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Larger than now	38%	48%	24%
The same as now (good)	34	29	47
Smaller	12	14	18
Undecided, "it depends"	13	7	11
Opinions not ascertained	3 100%	2 100%	— 100%

This great demand for wheat is expected to come largely from foreign countries.

"What do you think the foreign demand will be like in that period (the first two years after the war)?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Larger than now	42%	56%	29%
The same as now (good)	30	21	37
Smaller (poor)	13	13	19
Undecided, "it depends"	12	8	14
Opinion not ascertained	3	2	1
	100%	100%	100%

A strong foreign market is predicted simply because of the feeling that food will be needed abroad, the reasoning is that European countries haven't been able to grow much food, and therefore haven't much stored up, and that their land is torn up so that it will take them around two years to return to full production. Contradictory reports on this situation are being received from returning soldiers. *See following page*

"My nephew is just back from Germany and he says it will take at least two years before they can get that country in shape to farm again. It is all shot up and full of shell holes and the people are lost and don't know what to do. It will take two years before they can get started well to growing their own food again. He says some of it is in terrible condition, and he thinks some of it they never will get in shape to farm again."

But another farmer living in the same county says:

"Foreign countries will produce their own. Other countries are growing almost full crops now and in another year they won't want much from us. My cousin just came back from Germany and all you have to do to find out about some of these things is to talk to those boys."

Generally, however, wheat farmers are convinced that the need for their product in foreign countries will be great, at least temporarily. They seem to take it for granted that this need will be translated into foreign purchase of American wheat,* and seldom take into account such

*A study done in January and February, 1944, by the Division of Program Surveys, showed that a majority of the farmers surveyed felt that if European people needed food but could not afford to pay for it, we should send it to them anyway.

factors as competition from other exporting countries, or methods of financing and shipment:

8%* talk about the ability of foreign countries to pay

11% mention the ability to compete with other exporting countries

4% mention the availability of ships and railroad cars.

Those who believe foreign demand will be about the same as it is now usually think this means quite a large foreign market. Although no direct question was asked on this point in the survey, it is evident from the answers to the general question about postwar foreign demand that wheat farmers assume we have been exporting large quantities of wheat throughout the war.

Little change in domestic demand is expected
during the first two years after the war

Domestic demand is expected to remain about the same during the first two postwar years as it is now:

"What do you think demand in this country will be like (during the first two years after the war)?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Larger than now	10%	18%	13%
The same as now (good)	58	56	60
Smaller (poor)	21	13	15
Undecided, "it depends"	10	12	10
Opinions not ascertained	1	1	2
	100%	100%	100%

Once again, when wheat farmers say they believe the domestic demand will stay about the same as it is now, they consider this demand to

These percentages represent those who speak of these factors, regardless of what effect they expect they will have. For example, among the eight percent who talk into account the ability of foreign countries to pay, there are some who say foreign demand will be small because those countries cannot pay for wheat, and others who say the demand will be great because the United States will lend foreign countries the money with which to buy.

be quite strong. Some express the idea that the domestic demand for wheat varies with wage levels and general prosperity. As one farmer puts it:

"As long as the laboring man has money he's going to see that himself and his family gets plenty of bread to eat. I don't know how long business is going to stay good, but as long as business stays good I think the demand for wheat will be good or better."

This quotation illustrates the feeling that when people are working and earning money, they buy more food, including bread and cereals. The fact that domestic use of wheat for food has been relatively stable and that the major variability in domestic consumption has arisen from changes in the amount used for feed seems to be unknown to many farmers.

The development of industrial uses for wheat after the war is sometimes mentioned as a factor sustaining the domestic market. A small group (mostly in the Eastern region) believe that the use of wheat for feed will continue and furnish an additional outlet for the crop. There is also a group who believe that domestic demand will be increased by the return of our soldiers to this country; they look upon this as an increase in the domestic population. When people believe that domestic demand will be poor, they attribute the expected decline to unemployment, or to the fact that purchasing by the army will stop, or occasionally to anticipated change in diet from grains to fruits and meats when these become plentiful again.

THE PRICE COMMITMENT AND PRODUCTION

Farmers are uninformed about postwar price supports

In their discussions of what the state of supply and demand and prices for wheat will be after the war, farmers seldom take into consideration the fact that the Government is committed through legislation to support the price at 90 percent of parity for two years after the official end of hostilities with Japan. In fact, a large majority of the farmers in the two wheat regions surveyed are entirely unaware that such a commitment exists:

"As far as you know, is the Government going to do anything to try to support wheat prices in the first two years after the war?"*

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Have not heard about the commitment	79%	83%	94%
Have heard about it, but don't know any details	4	1	2
Have heard about it, but are misinformed about the parity aspect of it	3	2	-
Have heard about it, and are correctly informed about the parity aspect of it	14	14	3
Extent of information not ascertained	<u>-</u> <u>100%</u>	<u>-</u> <u>100%</u>	<u>1</u> <u>100%</u>

A few have heard vaguely that the Government plans to support wheat prices, but do not know that it will do so in a way that ties wheat prices to the price of what the farmer buys; rather, they think the commitment means a fixed price at a certain dollar-and-cent value. Only 14 percent in the Western wheat regions and three percent in the East understand that a price related to parity has been guaranteed.

When interviews from the two Western regions had been tabulated and the lack of information about the price commitment became evident, the question arose, How much information have farmers about the Government's present activities in the wheat market? The following item was added to the questionnaire in the Eastern region:

"In the Eastern region, people were first asked whether they thought the Government was doing anything at present to support wheat prices, and then they were asked: "How about after the war--have you heard whether or not the Government is planning to support wheat prices then?"

"Is the Government doing anything now that you know of to support the price of wheat?"

Eastern
winter-wheat

Definitely believe that the Government is supporting the price of wheat	20%
Have vague or uncertain belief that it is	10
Have vague or uncertain belief that the Government is <u>not</u> supporting the price of wheat	29
Definitely believe that the Government is not supporting the price of wheat	25
Don't know whether the Government is doing anything or not	14
Opinions not ascertained	2
	<u>100%</u>
Number of cases	281

Those who believe the Government is supporting the price most often mention the loan program as the means the Government is using for keeping the price up. The Government's activity in the way of purchasing wheat in the open market (for the feed-wheat program, for land-lease, etc.) does not seem to be familiar to wheat farmers. It seems evident that the farmer sells his wheat to the grain elevator at the going price; he does not know whether the ultimate customer is the Government or not, and consequently does not know whether Government purchase is having an effect upon the price. As one farmer puts it:

"Well, the price is up good. I don't know whether it's up natural or they're holding it."

It is possible that the Government's present role in supporting wheat prices is somewhat better known in the Western areas where more farmers participate in the loan program.

Farmers expect the commitment to have an upward effect on total wheat production

Since wheat farmers are for the most part unacquainted with the price support law, it had to be described to most of those interviewed (see page 14) before the following question was asked:

"What effect do you think this law will have on the amount of wheat that will be produced in the United States for the two years after the war?"*

	Western winter-wheat	Spring- wheat
The law will sustain wheat production	13%)	6%)
It will encourage farmers to increase wheat acreage	32)	58)
It will encourage farmers to maintain present acreage	17)	23)
It will have no effect	26	19
It will encourage farmers to cut wheat production	3	3
Don't know what effect the law will have	5	7
Opinions not ascertained	4	4
	<u>100%</u>	<u>100%</u>

The belief that price supports will sustain or increase wheat production is commonly based on the opinion that without support the price of wheat would fall after the war and a decline in production would follow. The upward effect of the law on wheat production is not usually considered to be dangerous, for many believe the demand for wheat will be great enough to dispose of a large supply (see page 11).

Farmers say price supports will not affect their own planting

Although they believe other farmers will be influenced in their planting by the existence of the price guarantee, a large majority say that they themselves will not be affected by it:

*This question was omitted from the questionnaire used in the Eastern region.

"Do you think the law we have been talking about will affect your production plans for wheat?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Will have no effect	75%	77%	83%
Will make a difference (un-specified)	1	1	1
Will cause to increase acreage	5	4	6
Will cause to maintain acreage	11	13	5
Will cause to decrease acreage	2	-	-
Undecided, "it depends"	3	5	3
Opinions not ascertained	<u>3</u> 100%	<u>-</u> 100%	<u>2</u> 100%

Of course the fact that most of the farmers interviewed had never heard of the price commitment before means that they had not had time to consider the law enough to let it affect their personal farming plans. Their expectation of a large demand for wheat in the first two years after the war probably leads them to think that even without supports the price will not fall far enough immediately after the war to justify a change in their acreage.

Little change in acreage
is planned for two years

Most of these wheat farmers expect to keep on planting about the same amount of land as they have been planting during the war. The small group who expect to increase their acreage are balanced by an equal group who expect to decrease:

How about here on your own farm--do you think you will produce as much wheat as you did in the two years after the war as are now?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Will probably keep acreage about the same as now	64	76	73
Will probably decrease acreage	15	11	11
Will probably increase acreage	8	3	7
Opinions not ascertained	<u>1</u> 100%	<u>-</u> 100%	<u>1</u> 100%

While away at home farmers do say that they base the amount of wheat they plant upon the current price of wheat and upon their decision as to how much wheat they will plant. This statement is more often made in the spring-wheat area than in the other two areas, where are certain considerations which make many farmers unresponsive to fluctuations in price. The most important of these is the desire to keep within a rotation scheme. This is mentioned by:

- 41% of those in the Western winter-wheat area
- 46% of those in the spring-wheat area
- 77% of those in the Eastern winter-wheat area.

Some follow a certain proportion of their land each year, and would not care to disturb this scheme because they wish to preserve the long-range fertility of the land. In the Eastern region, where wheat is frequently used as a nurse crop for clover, and must fit into a farming operation where wheat is not by any means the chief money crop, rotation becomes the controlling factor:

"I have a rotation here, and I only just raise enough wheat to get a stand of clover. (Will the law affect your plans?) No--I would rather keep my rotation, and if I increase the wheat, I got to cut down on something like corn. It throws all the fields out."

"I'll grow whatever the farm plans require to grow the right amount of clover and straw for the amount of livestock I keep. (Will the law make any difference in the amount you plant?) No. My farm requires a certain amount of clover, hay and straw, and there's no sense in changing the plan just because the price of some one thing is out of line for a while. You got to follow a regular plan."

Occasionally farmers growing wheat as their main crop express the belief that it doesn't pay to try to follow the fluctuations in the price of wheat; some say that you can't tell at the time of planting what the price will be at the time of harvest, and that it is dangerous to gamble too heavily. Others say they wouldn't increase their wheat even if the price were very attractive, because they want to have some other crop to fall back on in case the wheat crop fails or the wheat price drops.

"I don't want to get rich or poor. You got to protect yourself. Some of these farmers get a good crop and go to the mountains. They raise all wheat and the next year they are on the mountains. I never seen the mountains. I got my crops and I got to stay home and take care of them. But this way I can't lose. I can't get rich or I can't go broke."

More often in the Western winter-wheat area than elsewhere, farmers are prevented from decreasing their wheat by the fact that their equipment is suitable for wheat alone, and it would be too expensive for them to change over to another type of operation. Quite a few farmers in this area also say that their land and weather are best suited for wheat and that no other crop will do very well, so they are forced to continue with about their present volume regardless of fluctuations in price.

A small group (eight percent) say they would grow more wheat if they could get more (or better) labor; some of these are waiting till sons come home from the army, when they will expand their operations; but in the present labor market, they try to have a farm plan that will distribute the farm work throughout the year so that they can handle it all themselves without having to depend upon any hired labor. There are a few farmers (three percent) who expect to decrease wheat when more labor becomes available, for then they will turn to a type of farming which requires more labor than wheat (cotton growing or truck farming, for example).

VIEWS ON THE LIKELIHOOD OF A SURPLUS

A majority do not expect a surplus of wheat during the first two years after the war

Although farmers believe that the price commitment will have the effect of sustaining wheat production at the present level or higher, most of them do not think that this will mean a surplus of wheat:

"Looking at the whole picture for wheat, the production and demand sides, do you think there will be a surplus produced in the period that this law is in effect--that is, the first two years after the war?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Definitely expect a surplus	26%	21%	23%
Think a surplus probable, some doubt	6	10	7
Are undecided, "it depends"	12	8	7
Think a surplus improbable, some doubt	6	1	6
Definitely expect no surplus	50	59	57
Opinions not ascertained	-	1	-
	100%	100%	100%

As we have seen earlier, farmers expect demand, particularly foreign demand, to be fairly strong during these years—strong enough to absorb whatever wheat is produced. There exists a fairly general belief that a poor crop is about due in this country; the reasoning is that the wheat crop follows a cycle, that there have been several successive years of unusually high yields, and that consequently the downward trend in yields may be expected at any time.

The group who believe that there will be a surplus refer to the loss of our foreign markets when the European countries resume their own production, to the increase in mechanization which has enabled wheat farmers to farm more land with less labor, to the existence of a large carry-over on the world market at present, and to the effect of high wheat prices in stimulating production.

II. WHAT ROLE DO FARMERS WANT THE GOVERNMENT TO PLAY IN THE POSTWAR WHEAT MARKET?

Do wheat growers want the Government to support the price of wheat after the war? How do they feel about the price-support law that has already been passed? In the long run, would they like to see a gradual return to a "free" price? If price supports were withdrawn, what adjustments could they make to a lower price? Could they reduce their production costs themselves, or do they see any way in which the Government could help them to do so? In case a surplus of wheat occurs, do they feel it is up to the Government to do anything about it? How would they feel about a program to control production? What are their comments about specific methods for controlling production? As an alternative measure for dealing with a surplus, what is their attitude toward the Government's buying up surplus wheat without limiting production in any way? How do they think the Government could dispose of wheat bought in this way? How would they feel about a program of payments to farmers for putting wheat acreage into grass and feed crops?

VIENS ON PRICE SUPPORTS

Most wheat farmers think
wheat prices should be
supported after the war

Although many farmers seem not to know what the Government has been doing to support wheat prices, or what it can do, the majority nevertheless feel that the Government should do whatever is possible to keep the wheat price from declining after the war.

"Do you think the Government should do anything to support wheat prices after the war?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Approve of postwar price supports	64%	83%	52%
Approve with reservations	17	4	16
Are undecided, "it depends"	1	2	7
Disapprove with reservations	5	3	3
Disapprove	13	7	21
Opinions not ascertained	-	1	1
	100%	100%	100%

In the spring-wheat region, approval of postwar price supports is overwhelming. Opposition is strongest in the Eastern area, but even there, two-thirds are favorably disposed toward supports. The small minority who oppose supports for the price of wheat do so on the grounds of a general "free market" philosophy, or because they think that the Government is too greatly in debt already, or because they believe their supply and demand will work well enough without supports. But generally, farmers are fearful about what will happen to their prices after wartime prosperity has spent itself from post-war, and they look to the Government to protect them from depressed conditions:

"They should stabilize the price. The farmers will not stick together, so somebody has got to. They (Government) have done a pretty good job so far. Before the Government took it over, I sold wheat for 23 cents a bushel, and that could happen again."

Some members of this small group against price supports do not mean to hold their opinion very strongly, nearly half of them saying approval of the law supporting prices for two years after the war. (See Appendix, Table 2.)

When explained, the price commitment is approved of

As has been shown earlier, very few farmers are aware that price supports have already been promised for the two years after the official end of the war. When they were asked what it is, the law was explained to them as follows:

"There is a law that wheat prices must be held to at least 90 percent of parity for two years after the end of the war. This

doesn't mean any set price guarantee, but the Government will try not to let wheat prices go down any more than other prices. Acreage restrictions are not mentioned in the law."

The opinions of the law shown in the next table are therefore based to a large extent on this description of it. As might be expected from the high degree of approval of the idea of having the Government continue to support prices (see page 14), the law is generally considered to be beneficial:

"What do you think of this law? Do you think it is going to be good or bad for farmers?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Approve of law	68%	80%	52%
Approve with reservations	16	12	21
Are undecided, "it depends"	5	2	7
Disapprove with reservations	5	2	5
Disapprove	5	4	14
Opinions not ascertained	1	-	1
	100%	100%	100%

Those who approve usually give as their reason that the law will sustain farm income and enable the farmer to keep abreast of his production costs. A few wheat farmers (four percent) say they approve of it because they believe it will encourage farmers to grow wheat, and that without such encouragement too little might be grown.

A small group (six percent) oppose the law on the grounds that it would create a surplus of wheat, by furnishing an incentive for farmers to grow too much wheat, and an additional five percent say they would approve of the support program only if it were accompanied by acreage controls. Altogether, approximately one-fourth of the farmers interviewed expressed fear at some point in the interview that Government price supports might lead to overproduction of wheat. The large majority remaining, however, expressed no such fear.

The relatively small group who oppose the law sometimes do so on the grounds that it is unnecessary—that wheat prices would stay up without any such law, or say that the administration of such a law is too cumbersome for the Government (and the farmer) and that such regulation by the Government means too great a loss of individual freedom for the farmer. Such comments are most often made by farmers in the Eastern wheat region, who are less favorably disposed toward Government farm programs in general, as judged by their attitudes toward the whole series of measures discussed in this study.

Many farmers fear low farm income
if supports are eventually withdrawn

he have said that most wheat growers believe support prices should be supported during the first two post-war years. But what is the long run? Would they like to see the wheat economy of the nation pass on a self-sustaining basis through some such program as a gradual lowering of the support price until it equals the world price?

On the question of whether a "free" wheat price eventually is to be preferred to indefinite continuation of price supports, opinion is evenly divided in the Western winter-wheat region; in the spring-wheat region the idea of an eventual return to "supply and demand" has relatively little support:

"Do you think the Government should continue to support wheat prices indefinitely after the war, or should it gradually reduce support prices and eventually let supply-and-demand set the price of wheat?"*

	Western winter-wheat	Spring- wheat
Favor indefinite continuation of price supports	36%	64%
Favor indefinite continuation, but with reservations	10	6
Are undecided, "it depends"	5	6
Favor eventual return to supply-and-demand basis for prices, but with reservations	11	2
Favor eventual return to supply-and-demand basis	36	18
Opinions not ascertained	2	4
	100%	100%

It was found that this question often had to be repeated or rephrased by the interviewers, before all its implications were understood. Therefore a simplified version was used in the Eastern wheat region:

"People often answered this question in terms of their general attitude toward Government regulation of all farm prices, not wheat prices alone."

"In the long run, do you think the Government ought to support farm prices, or would you rather see them let farm prices alone?"

Eastern
winter-wheat

Favor price supports in the long run	45%
Favor price supports, but with reservations	15
Are undecided, "it depends"	6
Prefer to see farm prices left alone, but with reservations	7
Prefer to see farm prices left alone	27
	100%

Following are illustrations of the kinds of answers grouped in each category of the above table:

Favor indefinite continuation of price supports, without reservations:

"Some people say let demand take care of the markets for our farm products, but we have seen what that does to us for a good many years. In the past eight or ten years we have had some idea of what we will get for our stuff, and it's the first time the American farmer has had any money. He is entitled to it. The factory laborer has the unions to look after him. The farmer in the past has been the last fellow to get a raise and the first fellow to get let down. I want the Government to support the price of farm products, for I don't believe in this supply-and-demand theory that some farmers try to talk up. If they would just stop to think the thing through, and forget their politics, they would realize what it (the farm program) has meant to them."

"I think as long as the Government will stay with the farmers and help them he will get along, but if you turn them loose they will run the price down by planting too much of the wrong crops and get an over-supply. The Government is the only thing that will run it--I am for the Government running it; I am for that 100 percent."

Favor indefinite continuation, but with reservations:

"It seems the law of supply-and-demand don't work in favor of the farmers. All of us recall the 17-to-20-cent wheat in the early 30's. Of course I hope that the Government won't have to always subsidize farmers for producing food, but it looks like they'll have to for a good while, anyway."

Undecided which is better:

"There are two sides to that. If the Government has price control over things, that would lead next to too much control by the Government. Production is arranged according to demand. If the demand is down, then the price is down and farmers would quit raising that one thing until the price worked up again. (You said you thought there were two sides to it...) I would say that if we knew the Government wouldn't take too much control over other things too, then I would say there should be a floor price. (Why?) That would encourage the farmers a little. As it has been, the farmer has thought 'Will I get 50 cents or \$1.50?' when he plants it."

Prefer to see prices left alone, but with reservations:

"In a way it's a fine thing to have a price set so the things don't go only so low, but on the other hand if the Government regulates the price they all be setting the cash prices and the people will have no say about it. (Which way do you feel then is best?) I believe it would be better for the Government to leave it alone."

Prefer to see prices left alone, no reservations:

"They should leave them alone. You get into too much red tape and there's a lot of money spent, and it don't amount to anything. Too dern much telling us what to do. A man don't know where he's at any more. I used to think that there money they give you was all right, like Santa Claus, but now I got to thinking about all this money we spend for this Government stuff, and someone's paying for all this."

The feeling, illustrated in several of these quotations, that without supports there will be a repetition of the disastrous situation which followed the last war--surplus and rapidly declining prices--is very common:

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
<u>Comments favorable to indefinite continuation of price supports:</u>			
Farmers should be protected against surpluses, low prices	43%	57%	52%
Other groups (labor, business, speculators) strong, farmer needs help to get his share	9	10	15
Supply-and-demand hasn't worked in the past, Government programs have helped in the past	6	7	7
Prosperity on the farms is good for the whole nation	7	8	4
Regulation protects the small farmer	3	1	1
<u>Comments unfavorable to indefinite continuation of price supports:</u>			
Regulation unnecessary, supply-and-demand will work	14	5	21
Regulation too expensive for Government, taxpayer	10	6	8
Regulation means loss of freedom, dictatorship, increased dependency	13	2	7
Past attempts at regulation have been faulty	3	1	14
Supports create surpluses	3	2	5
Regulation strengthens big farmer, handicaps small	4	2	-
<u>Attitude depends on:</u>			
Whether other groups (business, labor) are regulated	9	1	3
Need for regulation (how strong market would be without it)	6	3	3
Whether regulation is accompanied by acreage control	-	-	4
The kind of regulation (approve of some programs, not others)	1	-	1
No comments	15	17	7

*These columns add to more than 100 percent, since some farmers give more than one comment.

Opposition to the indefinite continuation of price supports is strongest among the older farmers. Over a third of the men over fifty prefer a return to a free price, while less than a fourth of the younger men hold this view. In the Western winter-wheat area, it is the men between 65 and 80 years old who are most strongly in favor of Government support of wheat prices in the long run:

Percent approving of indefinite continuation
of price supports, by age and region:

	Under 35	35-50	Over 50
Western winter-wheat region	39%	52%	42%
Spring-wheat region	75%	75%	61%
Eastern winter-wheat region	75%	61%	50%

In the Western regions, there is no difference between owners and tenants in the attitudes toward an indefinite continuation of support prices; in the Eastern region, however, the two groups do differ somewhat:

37% of full owners* and
52% of tenants* in the Eastern wheat region

believe price supports should be continued indefinitely.

Large-scale farmers approve of continued Government support of wheat prices as often as do farmers who are operating only a small amount of land. Nor is there any relation, when all three regions are taken together, between the attitude a farmer has on this point and the total amount of money yielded by his farm. Upper-income farmers are no more favorable toward "supply-and-demand", and no less so, than low-income farmers. The lack of relation between income and attitudes on this question may be partly due to the fact that most very small farmers were excluded because they do not grow wheat commercially. In a recent study in the Cotton Belt in which similar attitudes were studied, many more small farmers were included, and a relation between income and attitudes toward the role of Government was found.

*Under of full owners: 110; under of tenants: 89.

Most farmers would cut acreage
if wheat prices fell drastically

It has been shown above that many farmers have misgivings about how they would fare if the wheat price were allowed to seek its own level in the world market. A price of 90 cents a bushel was chosen arbitrarily in the survey as an approximation of the price to which wheat might go after the war if there were no support, and the wheat growers being interviewed were asked how they would adjust their farming operations to a price decline of this magnitude:

"What would you do if the price of wheat went to 90 cents and the prices of things you buy and farm wages stayed about where they are now?"

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
Quit farming	6%	11%	1%
Stop growing wheat altogether	12	15	28
Cut down wheat acreage	44	52	37
Keep wheat acreage about the same	24	17	31
Increase wheat acreage	3	1	-
Depends on price of alternative crop	6	1	-
Undecided	3	1	1
Opinions not ascertained	2	2	2
	100%	100%	100%

Eastern wheat farmers fairly often say they would keep their acreage the same in the face of a serious decline in the price. As we have seen, they use wheat in their rotations, and some say there is no other crop which could be used to replace it in the rotation scheme. (See Appendix, Table 3.) There are some parts of the Eastern area, however, where other crops could be substituted, and farmers there say they would stop growing wheat altogether. This reaction is less common in the two Western wheat regions, where wheat is the basic crop and must be relied upon to some extent whatever its price.

A large-scale producer says he would not cut down his acreage even if there were a severe drop in the price:

"Wheat is about all we can raise, and we'd probably keep going on it just about the same. We have no other crop to change to. We got large machinery and big tractors, and we're all set up for wheat. Can raise it cheaper, too, than anything else."

Farmers in the two Western regions who said they would cut their acreage sometimes volunteered that at the same time they would expand production of some alternative crop; most often, they said they would shift to feed crops and livestock. (See Appendix, Table 4, for changes Eastern growers would make.)

Most farmers believe they could not reduce operating costs materially

If the price of wheat were allowed to drop to 90 cents, the large majority do not believe that they could cut down their operating costs in any way so as to go on producing profitably:

"How could you reduce the cost of producing wheat on your farm so that you could raise it for 90 cents a bushel?"*

	Western winter-wheat	Spring- wheat
Use less labor (use family labor more)	7%	5%
Use more (cheaper) machinery	6	10
Improve soil (rotation, fertilizer)	9	4
Operate on a larger scale	2	-
Don't know, could not cut costs	68	78
Opinions not ascertained	8	3
	100%	100%

A very few volunteered that they could raise wheat profitably at 90 cents, but a large majority believe they could not do so. As has been shown earlier (page 21), many say they would have to cut down their wheat acreage, shifting to other crops, but others would keep on with their wheat. The idea of moving away from the farm altogether and into urban occupations is seldom mentioned. It is true that a small group (around two percent) said they would quit farming if the price of wheat went to 90 cents, but some said this merely to illustrate that they would be in a serious plight, and did not seem to have a realistic plan for moving if farming became unprofitable.

When they are asked what the Government could do to help to increase the efficiency of their wheat production, farmers most often suggest Government action to lower the cost of machinery or the cost of farm labor;

* This question was omitted from the questionnaire which was used in the Eastern region.

"Is there anything the Government should do to help you reduce your cost of production?"*

	Western winter- wheat	Spring- wheat
Cut price of machinery	36%	35%
Cut cost of labor	27	15
Cut cost of fuel, seed, or fertilizer	4	6
Cut cost of transportation or distribution	3	6
Promote soil conservation	3	1
Cut taxes	3	-
Don't know what it could do, nothing it could do	37	45
Opinions not ascertained	<u>10</u> **	<u>6</u> **

These farmers seem to feel that to have the Government reduce the cost of machinery and labor would, by moderating heavy costs, help them to meet their present production expenses more easily and allow them to make a little more money at present prices. They do not seem to see this Government help as a means whereby they could adjust themselves to a program in which the price would be allowed to drop eventually to a considerably lower level.

VIEWS ON PRODUCTION CONTROLS

A large majority believe the Government
should take measures to control a surplus

As we have seen, wheat farmers in the three regions studied want the Government to go on supporting the price of wheat. They do not believe that this will result in overproduction of wheat, and do not expect a surplus to develop for two years after the war. If a surplus should occur, however, they believe it is the responsibility of the Government to take some remedial action:

While ~~question~~ was omitted from the questionnaire used in the Eastern region.

Answers did not add to equal 100 percent, since a few farmers mentioned more than one way in which the Government could help them reduce costs.

"Suppose surplus wheat is produced in this period, do you think the Government should try to do something about it or not?"

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
Yes, the Government should do something	74%	84%	56%
Yes, with reservations	8	3	5
Undecided, "it depends"	2	3	8
No, with reservations	3	1	3
No, the Government should not do anything	11	7	25
Opinions not ascertained	2	2	3
	100%	100%	100%

Western wheat growers generally approve
of measures to hold down production.

When Farmers are asked to assume that there will be a surplus, and then a program to limit the amount of wheat grown is suggested to them, most Western wheat growers react favorably. In the Eastern wheat region opinion is divided:

"If the Government does try to do something about a surplus of wheat, it could take measures to hold down production so that no more wheat could be produced than could be used. What do you think of this?"

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
Approve	57%	61%	33%
Approve with reservations	17	17	17
Undecided, "it depends"	3	5	5
Disapprove with reservations	4	3	6
Disapprove	17	12	38
Opinions not ascertained	2	2	1
	100%	100%	100%

It should be borne in mind that the approval of production control shown here is conditional. These farmers say they would approve of control if there is a surplus, and as we have seen, a majority do not believe that this situation will arise, at least for a while.

Typical of the farmers who believe it would be advisable to hold down production if a surplus develops is the one who says:

"They have to do something like that. It's all right. We build up a surplus and we'll have a low price no matter what. It always threatens the market to have it flooded like that, and there's no sense to use up the soil producing what we're going to have to waste."

There is a fairly large group who have trouble making up their minds on this issue; often they believe as a matter of principle that the individual farmer should be free to do as he wishes, but they also fear the consequences of such freedom:

"That's a big problem. We're all kicking about that. We don't like to be told what to do, but there has to be some regulation or we'd be in bad shape. A farmer is just an individual, but the Government sees the whole thing. I don't know. I don't like it (regulation), but I don't see no other way out than to say 'You get a price, but you can't make a hog out of yourself.' That's about what it amounts to."

In the Eastern region, where opposition to production control is strongest, the reason farmers most often give for their opposition is that regulation interferes with their personal freedom:

"It's a very poor thing to do. They come out once and told us how to run our farms, and it was a bad mistake. It isn't democratic, that's all. They just don't have the right to do it. It don't make no difference if you don't want to do it, you had to. Well, I may as well live in Germany then."

The table on the following page shows the frequency with which various reasons for favoring or opposing Governmental production controls were given.

Half the wheat farmers who are opposed to any effort by the Government to hold down production in case of a surplus are nevertheless in favor of having the Government support wheat prices after the war. It seems clear, then, that this group is not opposed to Government action as such; rather, they want the Government to guarantee a high income for them, but do not want this measure to be accompanied by any restrictions which would prevent them from taking full advantage of the guaranteed price (see appendix, Table 5).

It should be pointed out that many of those who express approval of limitation of production do so not wholeheartedly but with rather grudging acceptance of it as an unwelcome necessity. The question

	Western winter- wheat	Spring wheat	Eastern winter- wheat
Would prevent overproduction and drop in wheat prices	44%	40%	31%
Wasteful to produce what isn't really needed; there would be no way to dispose of it	13	13	18
Production control has worked in the past	10	8	4
Production control would be good for the land	5	8	2
Limiting wheat production would mean production of crops which are more needed	3	2	3
Production control would protect small farmer, tenant	3	3	2
Government knows market conditions better than individual farmer	2	-	1
<u>Comments unfavorable to Government's holding down wheat production:</u>			
Means too great loss of freedom; dictatorial, un-American	12	6	28
Interferes with rotation, with best land use	2	1	13
Wrong (sinful to cut production; goods always needed)	3	3	9
Program too expensive for Government, taxpayer	2	-	5
Government is inefficient, bureaucratic, does not understand farms	3	-	4
There would be no cushion in case of crop failure	2	5	5
Production control has not worked in the past	6	4	10
Control unnecessary--farmers will cut voluntarily	-	-	11
Farmers must have enough cash crop (can't afford to cut)	1	4	1
Control forces overproduction of other crops	-	-	1
<u>Attitude depends on:</u>			
Whether small farmers are protected	4	7	2
Whether defects of past programs are corrected	6	1	3
Degree of surplus (should have cushion for emergencies)	1	3	3
How much loss of income is involved (program acceptable if price supported, production not cut too much)	1	3	2
Whether alternative plan is possible (acceptable only if there is no other way)	1	1	1
Where the cutting is done (acceptable only if it is done in areas where there is an alternative crop)	1	-	-
No comments	14 *	17 *	7 *

is put to them in terms of a situation in which a surplus has developed, and to the wheat farmer, this means that prices would then be in serious danger of declining. The fact that farmers advocate production control in these circumstances does not mean that they like it. An interviewer working in Alfalfa County, Oklahoma, writes his impressions as follows:

"It is especially true among the farmers in a typical wheat county like Alfalfa County that they do not want to cut on wheat, and they do not like to think about another Government program because they know it will mean cutting acreage. Wheat is a fairly sure crop in this area, where they usually get most of their moisture in the winter and spring, at a good time to make wheat, but often times do not get enough to make row crops; and too they are equipped for wheat production and have large fixed costs sunk in this machinery and they like to produce to capacity for this reason. This does not say that they would not support a Government program of cutting production, especially after the war when prices are not so favorable as now, but it is a fact that this factor limits their enthusiasm for a compulsory acreage reduction program."

A flat percentage cut is favored
as a method of cutting production

When they are asked to suggest what would be the best way for the Government to cut down production, many farmers are unable to suggest anything, saying, "That's too big a problem for me." When they have suggestions, they most commonly advocate a resumption of the program with which they are most familiar--namely, a flat percentage cut in acreage, based on the individual farmer's former wheat acreage:

"If the Government does try to decrease production of wheat,
how do you think it ought to go about it?"

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
Cut acreage (method not specified)	18%	22%	14%
Cut acreage by fixed percentage of former wheat acreage (or, "like they did it before")	32	25	23
Cut large farmers more than small farmers (or cut large farmers only)	8	7	10
Allot acreage according to total land operated (regardless of how much was planted before)	3	2	9
Allot certain number of acres per farmer (regardless of size of farm)	1	1	1
Cut acres where farmers can grow something else (not in areas where wheat is only or best crop)	3	1	2
Apply allotment to farms, not farmers (so that allotment is not interchangeable among tracts owned by one man)	6	3	-
Encourage farmers to change to other crops (incentive payments for feed crops, etc.)	8	3	3
Encourage voluntary reduction (inform farmers about market conditions, warn of surpluses)	3	1	5
Put a quota on the number of bushels a man can sell	7	7	2
Cut the price of wheat	-	-	5
No suggestions	19	31	32
	*	*	*

When a marketing quota is fixed, the remaining option is that if a man has more wheat than he is allowed to market, he can store it to use to fill up his quota if he has a bad year, or can use it for feed, and will not be subjected to the inconvenience involved in a acreage restriction.

These columns add to more than 100 percent, since some farmers gave more than one suggestion.

There are quite a few farmers who are apprehensive about the trend toward larger and larger farms, and they would like to see sufficient allotments established in such a way as to favor the family-sized farm. They recommend that small farms, for example those of 160 acres or less, should not have their wheat acreage cut down, or should have it cut only slightly, and that a graduated cut should be applied to larger farms, so that the very large-scale operators would be most heavily hit. There is complaint that a few individuals have been buying up adjacent farms, tearing down the buildings to save taxes, inventing an heavy machinery, and operating these large tracts with only the use of a few hired hands, which means that would-be family-sized farmers cannot get farms to rent or buy, and are forced off the land. The trend toward "subleasing" or "windshield" farming, as it is variously called, is deplored by those farmers who believe the land should belong to those who live on it all year round and operate it with family labor.

When asked directly about their attitude toward a flat percentage cut in acreage, farmers were often approve than disapprove, but there is a large minority who are opposed to the idea:

"What do you think of the idea of asking farmers in all areas of the country to cut their wheat acreage by a certain percent?"

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
Approve	42%	55%	37%
Approve with reservations	26	19	19
Are undecided, "it depends"	2	3	1
Disapprove with reservations	5	4	12
Disapprove	20	17	29
Opinions not ascertained	5	2	2
	100%	100%	100%

The most common reason for approval of a flat percentage cut is that it is fair, and treats everyone alike. Critics of the plan say that it means undue hardship for certain groups: (a) for the small farmer, who can ill afford the loss in cash income, (b) for the tenant, whose landlord may not allow him to participate in the program or may not let him receive his share of the benefits, and (c) for the diversified farmer or for the man who already has only a small proportion of his farm in wheat, for whom an acreage cut interferes with rotation and who is penalized for having engaged in approved land-use practices voluntarily.

A small group say they would accept such a program only if all farmers were made to participate in it. The overwhelming view farmers would stay out and take advantage of the money losses created by the inaction of all the other farmers.

It should be kept in mind that approximately one-eighth of the people who say they approve of the flat percentage cut as a method of cutting acreage have previously expressed disapproval of the basic idea of cutting down wheat production, not endorse the percentage cut as the least of a number of evils, saying that if the Government is definitely going to cut production now, a flat percentage cut is the best way to do it. On the other hand, over a third of those who support the flat percentage cut nevertheless approve of the general idea of cutting down wheat production, they simply see defects in the percentage cut, and think production should be reduced in some other way (see appendix, Table 6).

Over half the wheat growers interviewed offered no criticism of the way acreage reduction had been handled before through the AAA program. While the people interviewed were not asked a direct question concerning how they felt about the AAA program, quite a few expressed the belief that it had been very helpful to them. For example:

"I thought it was o.k. before. I didn't have no kick. Roosevelt paid the pasture rent and God furnished the water. I ran a bunch of cattle on it and it didn't cost me nothing. I done all right."

A fairly large group throughout expressed a favorable opinion of the old program, which they did not like and would like to see changed in any future acreage reduction program. The following criticisms were made:

- 11% thought the program had been hardest on the small farmer, not leaving him enough acreage to make a living
- 7% thought it interfered too greatly with individual freedom.
- 7% thought it interfered with the best and easiest land use, and complained that they had been forced to cut up fields and do additional fencing and that the changing allotments upset their rotation plans.
- 7% felt that the administration of the program was too centralized, that the program was managed by people who didn't understand farming, that there was too much red tape.
- 6% felt that it was basically sinful and wasteful to plow under crops or destroy what has already been produced.

5% said that the old program penalized the man who was following approved farming practices and had already cut down the proportion of his farm in wheat; his allotment was based on a small acreage, whereas the man who had been planting his whole farm to wheat, hurting the soil and creating a surplus, got a large allotment.

Other criticisms, which were made very rarely, are:

That the program did not actually succeed in cutting wheat production, because only poor land was taken out of production, or because fallowing the idle acres resulted in higher yields per acre.

That the penalties for over-planting were too great.

That penalties were not great enough, so that non-participating farmers benefited too much from the program.

That the old program was hardest on tenants, who did not get their share of the allotment checks.

That the program penalized the single-crop man, who could not use his idle land profitably, having no alternative crop.

That farmers should not have been paid to do something that was to their own advantage anyhow.

~~most farmers are willing to cut acreage
on their own farms to get a good price~~

Despite the reservations many wheat farmers have concerning the wisdom of a flat percentage cut in acreage, a large majority in the three wheat regions studied say they personally would be willing to cut their wheat acreage by 25 percent if such a cut were required to make them eligible for the support price. Farmers in the Eastern region are somewhat less willing to do this than the Western farmers.

"Would you be willing to cut your wheat acreage by one-fourth in order to get the price which this 90 percent of parity law guarantees?"

	Western winter-wheat	Spring- wheat	Eastern winter-wheat
Would be willing, no reservations	67%	74%	51%
Would be willing if absolutely necessary	6%)	6%)	8%)
Would be willing if everyone was cut	3)	1)	9)
Would be willing if landlord permitted	1)	1)	-)
Would be willing if price high enough	-)	-)	3)
Would not be willing, no reason given	9)	7)	13)
Would not be willing, acreage already low	2)	3)	4)
Would not be willing, need cash income	5)	2)	1)
Would not be willing, need acreage for rotation	1)	-)	4)
Undecided, "it depends"	3	2	3
Attitudes not ascertained	3	4	4
	100%	100%	100%

While it is true that those who oppose the idea of a flat percentage cut for everyone are more often unwilling to cut the acreage on their own farms than those who believe a flat percentage cut for all wheat growers is desirable, still over half of that group say they would anyway if they were asked to. In this, 11 million farmers prefer to their advantage to receive the guaranteed price than to grow unlimited quantities for whatever the market price happened to be at the time of harvest. (See appendix, Table 7.)

APPENDIX II: SURVEY OF FARMERS' OPINION

Except in the spring-wheat region,
a surplus-purchase program is unpopular

An alternative plan to the limitation of production was suggested to the farmers interviewed, namely, a Government program of buying up whatever surplus wheat was grown:

"Another way would be to have no cutback on production, and if there is a surplus, buy it up at a support price and dispose of it in whatever ways they could. What do you think of this?"

	winter-wheat	Spring-wheat	winter-wheat
Approve	23%	50%	30%
Approve with reservations	13	14	13
Are undecided, "it depends"	5	6	5
Disapprove with reservations	11	3	11
Disapprove	45	26	40
Opinions not ascertained	3	1	1
	100%	100%	100%

The opposition to this program centers around the feeling that it would entail too much expense for the Government to buy up an unlimited amount of wheat, and that it would not solve the surplus problem; as one farmer puts it:

"It's no good. What's the Government to do with it? It'll all spoil by the by, and it's a wasteful way to do. And where's he to get the money to buy it like that? I think myself that it's worse than nothing, because he's just asking for a surplus that way. (Why do you believe that?) Well, he says 'plant all you want, and we'll buy up what you can't sell.' If he wants a crop, that's how to get it."

Most farmers who support a surplus-purchase program do so because it would sustain the price or provide a stock-pile of wheat for use in poor crop years.

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
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Comments favorable to surplus purchase

Sustains price, enables farmer to meet costs	9%	19%	16%
Provides cushion against crop failures	7	13	7
Keeps farmer free of interference, red tape	4	1	12
Benefits whoever gets the wheat	5	3	6
Spreads cost of losses (to all taxpayers)	1	1	1

Comments unfavorable to surplus purchase

Too expensive for the Government, taxpayer	31	23	34
No good way to dispose of it	13	3	20
Does not solve the surplus problem (production will be kept up or increased)	21	13	19
Government-held surplus would depress the market	7	1	4
Discriminates against nonfarmers (protects farmers at the expense of other taxpayers)	1	-	1
Means too great loss of freedom; undemocratic	-	-	2

Attitude toward surplus purchase depends on:

How Government disposes of it (acceptable if useful outlet, if wheat is not destroyed)	7	7	8
How much the Government would have to lose	3	2	1
How much wheat the Government buys	1	2	1

----- * ----- * ----- *

On the two suggested methods for handling a surplus, production control is preferred:

"Which one of handling surplus wheat do you think better- production control or Government purchase and distribution of surpluses?"

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
--	-----------------------------	------------------	-----------------------------

Prefer limitation of amount produced	67%	54%	48%
Prefer purchase of surplus	22	38	37
Can't choose	7	7	12
Opinions not ascertained	4	1	3

----- 100% ----- 100% ----- 100%

Only 10 percent of the farmers give more than one reason for their attitude.

A farmer's choice between these two programs is related so much to whether or not he expects a surplus to develop. If he does not expect a surplus, he more often endorses the Government purchase plan; evidently when he is asked by the interviewer to assume that there will be a surplus, he does not think of a large or serious surplus, but often only of a small surplus which could be stored as a stockpile; purchase by the Government of this surplus therefore does not seem unworkable to him. On the other hand, the people who are actually convinced that a surplus is impending tend to choose production control as a solution (see appendix, Table 8). Interpreted differently, this relationship may mean that those who are opposed to Government controls tend to convince themselves that there will be no surplus, out of the fear that a surplus would make some sort of control unavoidable.

It should be emphasized that the choice of production control instead of a purchase program is not always made enthusiastically; in fact, quite a few farmers, while saying that controls will be necessary if a surplus develops, still express distaste for production controls, and may be choosing them simply as the lesser of two evils, because they cannot see how the Government could finance a price-support program if production were not limited.

Preference for one program or the other does not seem to depend upon the amount of wheat grown or the availability of alternative crops; farmers who have a very large wheat acreage choose production control as often as farmers who grow very little wheat, and those who have most of their total acreage planted to wheat make much the same choices as those with only a small proportion of their farms in wheat.

Export, feeding of livestock, and storage
as suggested for disposal of surplus

The farmers interviewed were asked how they thought the Government ought to dispose of the wheat if a program of surplus purchase were undertaken.

"If the Government buys surplus wheat, what do you think they should do with this wheat?"

	Western winter- wheat	Spring- wheat	Eastern winter- wheat
Sell it (channel not specified)	6%	2%	1%
Sell it (give it, send it) to foreign countries	27	22	31
Sell it to farmers for feed	21	17	28
Sell it (or give it) to the poor	9	12	7
Store it for emergencies	26	26	10
Find industrial uses for it	8	17	6
Don't know--nothing they could do with it	12	17	21
Opinions not ascertained	<u>11</u> *	<u>6</u> *	<u>.9</u> *

The desire to send surplus wheat to foreign countries is often based on humanitarian feelings that it is wrong to let people anywhere in the world suffer from hunger if we have food which we could be willing to them:

"If people all over the world had as much to eat as we generally have, we wouldn't have overproduction. My idea would be to ship it to those foreign countries where they're starving to death--not destroy food. It's better to give it away. If we can almost give away wheat and make away for several years, we can afford to give a little wheat away."

"I think starvation in the midst of plenty is an awful thing, and I think it's up to us to help them along."

The idea of the ever-normal granary is popular; these farm people remember lean years when drought or insect pests destroyed much of the crop, and they believe that it is wise to have a large stockpile on hand for such emergencies:

"If you have too much for one year, store it up. The warehouses are never too full. You can never tell when you're going to have a drought."

These columns add to more than 100% because some farmers mentioned more than one channel for disposal of surplus wheat.

One point to the stocking of wheat which was mentioned before the war as the thing which enabled us to meet the heavy wartime demand when it arose. For quite a large group, however, the problem of disposal of a surplus once the Government has bought it seems almost insoluble:

"I don't know. A surplus piles up, and nobody wants it, or it wouldn't be there. (What could the Government do with it?) That's what I don't know. I can't imagine. I don't even know what they done with it this other time. They was hauling it to the bins, and then they took it out. I don't know. I couldn't answer that at all."

Selling wheat for feed is suggested fairly often. When asked specifically about the re-sale price of this whoat, wheat growers often approve of sale below cost, on the grounds that farmers who haven't enough feed for their livestock should be helped to get feed to prevent loss of the animals, but there is a large group who believe that such a program would be unsound:

"What do you think of the idea of the Government selling it below cost for feed to farmers in parts of the country where they are short of feed?"

	Western winter- wheat	Eastern Spring- wheat	Eastern winter- wheat
Approve	37%	47%	37%
Approve with reservations	24	14	19
Are undecided, "it depends"	5	4	3
Disapprove with reservations	7	7	7
Disapprove	26	27	31
Opinions not ascertained	1	1	3
	100%	100%	100%

The chief objection to this program is on the grounds of its cost to the Government:

"That loses money. The Government is run on the same basis as a farm, and we can't do business that way or we'd be bankrupt long ago. Maybe if the Government didn't have such a big debt it might not be so bad, but goodness, they can't do that now!"

"It don't make sense to sell at a loss like that. Someone is paying for all this. It's all right for the farmers that buys that cheap wheat, but how about all the others that pay for it

"If the Government paid farmers to put part of their wheat acreage into grass or feed crops, do you think this would decrease wheat production?"

	Western winter- wheat	Spring- wheat
Program would cut down production, no reservations	1	1
Would cut it down somewhat, in some areas	1	1
Would not cut it down, no reason given	1	1
Would not cut it down, because farmers would not cooperate	1	1
Would not cut it down, because of increased yield per acre	1	1
Undecided whether program would cut production	1	1
Opinions not ascertained	4	4
	<u>100%</u>	<u>100%</u>

There is a fairly strong belief that this program would be an effective way to reduce wheat acreage, but they usually believe it would be desirable, although a fairly strong minority are opposed to it.

"What do you think of this way?"*

	Western winter- wheat	Spring- wheat
Approve	44%	14
Approve with reservations	14	3
Are undecided, "it depends"	3	14
Disapprove with reservations	14	25
Disapprove	25	11
Opinions not ascertained	2	5
	<u>100%</u>	<u>100%</u>

*This question was not asked in the Eastern wheat region, where wheat is often grown merely to prepare the soil for feed crops.

The most common reason for supporting this program is that it would be good for the soil. There is quite a bit of feeling that too much land has been seeded to wheat, and that some of it should be put back in grass or there will be erosion and dust storms. Some point out that rotation of wheat with feed crops would restore the fertility of the soil and result in better yields. Some express the feeling that if farmers are going to be asked to switch over from wheat to other crops, they must be paid something to sustain their incomes in the face of the loss of income from wheat, since they believe it would not be so profitable to grow grass and feed crops unless their prices rose or the price of wheat fell. Some see the program as undesirable because it would encourage farmers to produce more livestock, which they believe is needed by the nation more than wheat.

When the program is regarded with disfavor, it is often because of the feeling that farmers shouldn't have to be paid to do what is in their own advantage in the long run. There is some fear also that to ~~allow~~ a large-scale shift to feed crops would create a surplus of feed or livestock or both. Particularly in the Western winter-wheat region, there is concern that new equipment would be necessary for a change to different crops, and that they have not enough expensive wheat machinery, and would have to buy in addition equipment for the production of new crops if they began to grow feed, and feel that the returns would not justify this new investment.

The farmers who depend almost entirely on wheat for their livelihood are somewhat less favorable toward compensation payments for changing land over to grass or feed--perhaps because this means more of a loss of open income for them and requires a larger outlay for new equipment than for the farmers who are already diversified to some extent. (See appendix, Table 9.)

THE GOVERNMENT'S ROLE IN GENERAL

It is evident from farmers' attitudes toward the various Government measures mentioned in the foregoing discussion that their greatest fears in the main want Government protection from difficulties that may arise in the wheat market. To what extent is this desire grounded in a general "philosophy" regarding the part the Government should play in the national farm economy? To what extent do farmers simply judge such proposals as a separate measure having a specific local significance, regard to its possible significance in larger questions of policy?

These questions were asked in the survey that ascertained farmers' attitudes toward the role of Government:

1. Should the Government support wheat prices after the war?

2. Should supports be continued indefinitely, or should the wheat prices be returned eventually to the operation of supply and demand?
3. Will the price commitment law be good or bad for farmers?
4. If there is a wheat surplus, should the Government do something about it?
5. If there is a wheat surplus, should the Government restrict production?

Somewhat more than half the farmers give consistent responses to all five questions:

	Western winter- wheat	Eastern winter- wheat
Consistently favorable toward Government action, with no reservations	19%)	
Consistently favorable, although with some reservations	24)	
Favorable toward most, unfavorable some	40)	
Unfavorable toward most, favorable some	12)	
Consistently unfavorable, although with some reservations		
Consistently unfavorable, with no reservations		
	100%	100%

The table shows that on the basis of the five questions selected wheat farmers group themselves in three main categories:

- 1) Those who want supports, and with them want, or are willing to accept, the restrictions that may prove necessary to prevent a surplus from encumbering the national economy. These constitute about half the wheat farmers, -somewhat less than half in the two winter wheat areas, considerably more than half in the spring-wheat region.
- 2) At the opposite extreme, those who want neither Government aids nor Government restrictions, who prefer to take their chances on the ups and downs of a free price. Altogether this group makes up between five and ten percent of the total; it is most sparsely represented in the spring-wheat areas, most strongly in the Eastern winter-wheat areas.

3) The group that is scattered between those who consistently favor and those who consistently oppose Government regulation of the wheat market. One subgroup emerges here, however, with a fairly clearly defined set of attitudes toward Government action, so that the middle group breaks into two:

- a) Those who are favorable toward measures guaranteeing them an acceptable price for wheat, but opposed to restrictions on the amount they produce. (These are not distinguished in the foregoing table, but they are shown in Table 5 in the appendix as that half of the minority opposed to production control who say they believe the Government should support wheat prices after the war.) These farmers constitute about 15 percent of all the wheat farmers in the three regions.
- b) The remaining group--roughly 25 to 30 percent, who evidently have no unified opinions about the proper role of government in the wheat market, and who seem to waver between a desire for independence and a desire for the protection they believe price and production controls afford. These are farmers who say, for example, that they want a return to the supply-and-demand basis for prices, but that the present price-commitment law is a good thing for farmers; or who say they do not believe in price supports, but nevertheless argue that the Government should assume the burden of a surplus if one develops; or who say they would not be willing to reduce their acreage in order to get a supported price, but nevertheless think the Government should limit production if a surplus develops. (See Charts 1 and 2 in the Appendix.)

Thus even when farmers take the line that Government measures to regulate the wheat market are undesirable interference with their independence, 25 or 30% look to the Government to provide some kind of protection if inflation should drive the artificially inflated wheat prices. They take the view that in exchange for this protection they should have the right to determine for themselves how much wheat to produce.

APPENDIX

TABLES AND CHARTS REFERRED TO IN TEXT

Table 1. Length of Time Farmers Expect Postwar Prosperity to Prevail in Wheat Market

From 1 through $2\frac{1}{2}$ years	50%
$2\frac{1}{2}$ through $4\frac{1}{2}$ years (a few years)	32
Over $4\frac{1}{2}$ years	8
Expect prosperity to be limited, but time period not specified	10
	<u>100%</u>
Number of cases	222*

Table 2. "Do you think the Government should do anything to support wheat prices after the war?"

Answers grouped according to attitude toward the price commitment law

	Those who approve of price supports	Those who disapprove of price supports
Approve of price commitment law	91%	46%
Undecided about law, "it depends"	4	7
Disapprove of price commitment law	4	46
Opinions not ascertained	1	1
	<u>100%</u>	<u>100%</u>
Number of cases	515	123

*This group is made up of 222 farmers in all regions who said they believed the postwar wheat situation would be good for a while, then bad

Table 3.* "What would you do if the price of wheat went to 90 cents and the prices of things you buy and farm wages stayed about where they are now?"

Answers of farmers according to consideration of rotation
in farm plan

	Those who men- tion rotation as a factor affecting acreage	Those who do not mention rotation
Quit farming	7	58
Stop growing wheat	20	21
Cut acreage	18	45
Make no change	46	19
Increase acreage	1	2
Not ascertained	6	5
	100	100
Number of cases	212	214

**Data collected in 1933 in the 10 western states and the Eastern winter-wheat areas. In the spring-wheat area there was no answer from 100 farmers to 900 questions or inquiries to say they would keep their acreage the same.

Table 4. (If would decrease wheat acreage) "What would you do with your land then?"

	Eastern winter- wheat
Shift to oats, rye or barley	11%
Shift to grass, hay, or clover	24
Shift to corn	18
Shift to soybeans	14
Shift to livestock, dairy	3
Shift to other specified crop	5
Shift to "something else," not specified	2
Shift to some cash crop, "whatever pays best"	11
Let land lie fallow	6
Question inapplicable, or opinions not ascertained	<u>55</u>

*This column adds to more than 100 percent since some farmers mentioned more than one crop to which they might shift.

Table 5. "Do you think the Government should do anything to support wheat prices after the war?"

Answers grouped according to attitude toward production control

	Those who approve of production control	Those who disapprove of production con
Believe Government should support price	89%	50%
Undecided about price supports	3	5
Believe Government should not support price	7	45
Opinions not ascertained	1 100%	1 100%
Number of cases	435	195

Table 6. "If the Government does try to do something about a surplus of wheat, it could take measures to hold down production. What do you think of this?"

Answers grouped according to attitude toward percentage cut on individual acreage

	Those who approve of percent- age cut	Those who disapprove of percent- age cut
Approve holding down production	75	30
Undecided, "it depends"	6	2
Disapprove holding down production	13	47
Opinions not ascertained	16.5	10.2
Number of cases	432	201

Table 7. "Would you be willing to cut your own wheat acreage by one-fourth in order to get the price that this 90 percent of parity law guarantees?"

Answers grouped according to attitudes toward percentage cut on individual acreage

	<u>Those who approve of percentage cut</u>	<u>Those who disapprove of percentage cut</u>
Willing to cut, no reservations	75%	33%
Willing to cut, but with reservations	13	23
Unwilling to cut	10	38
Opinions not ascertained	2	6
	<u>100%</u>	<u>100%</u>
Number of cases	432	205

Table 8. "Which way of handling surplus wheat do you think better—production control, or Government purchase and distribution of surpluses?"

Answers grouped according to opinions about likelihood of a surplus

	<u>Those who expect a surplus</u>	<u>Those who do not expect a surplus</u>
Prefer production control	67%	52%
Prefer Government purchase	22	37
Can't choose between the two	7	8
Opinions not ascertained	4	3
	<u>100%</u>	<u>100%</u>
Number of cases	209	398

CHAPTER I

(Number of cases: 384)

(Number of cases: 236)

should support wheat prices
after the war

farmers should not be
allowed to sell wheat
at the market price

farmers should do something about a
surplus, if it develops

farmers should limit production in
case of a surplus

farmers should buy up surplus without
paying too much for it

farmers should not be allowed to sell wheat
at the market price

farmers willing to cut their
own wheat acreage one-fourth
to get supported price

of pre-war AAA program

continuation of price supports supplies and demands of essential items to

of pre-war AAA programs.

gesetzes für die gesetzliche Pflegeversicherung

Section 10.1: Solving Equations

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price commitment will bene-

1860. — *On the History of the Human Species* (London, 1860).

We've been talking about what may happen after the war. Now we are interested in finding out how farmers think the wheat situation looks for the first two years immediately following the war.

14. As far as you know, is the Government going to do anything to try to support wheat prices in the first two years after the war?

15. IF YES TO 14. What is it going to do?

16. IF YES TO 14. Does that mean that wheat prices will stay where they are now?

IF YES TO 16. Will they stay there even if the prices of the things you buy go down?

IF NO TO 14 tell R. There is a law now that wheat prices must be held to at least 90 percent of parity for two years after the end of the war. This doesn't mean any set price guarantee but the Government will try not to let wheat prices go down any more than other prices. Acreage restrictions are not mentioned in this law.

17. What do you think of this law? Do you think it is going to be good or bad for farmers?

Why do you think so?

What do you think would have happened to wheat prices in the first two years after the war if they hadn't passed this law?

What effects do you think this law will have on the amount of wheat that will be produced in the United States for the two years after the war?

What about here on your farm - do you think you will produce more, or less, wheat in the first two years after the war as you are told?

Why are you planning that way?

18. IF YES TO 17. Do you think that the fact we have been sending about 100 million bushels of our products on planes for years?

IF NO TO 17. Do you think now that this law is good for you, better or will it not help you much more than it will help others?

Why?

Do you think the law will affect your plans?

42. Why do you think so?
43. If the Government does try to decrease production of wheat, how do you think it ought to go about it?
44. What do you think of the idea of asking farmers in all areas of the country to cut their wheat acreage by a certain percent?
45. Why do you think so?
46. Would you be willing to cut your wheat acreage by one-fourth in order to get the price which this 90 percent of parity law guarantees?
47. If the Government paid farmers to put part of their wheat acreage into grass or feed crops do you think this would decrease wheat production?
48. Why do you think so?
49. What do you think of this way?

QUESTIONNAIRE USED IN THE EASTERN REGION

1. In general, do you think the wheat situation after the war is all over will be good or bad?
2. What sort of things will make it good or (bad)?
3. Do you think the Government should do anything to support wheat prices after the war?
4. In the long run, do you think the Government ought to support farm prices or would you rather see them let farm prices alone?
5. Why do you feel that way?
6. (If yes to 3 and "let alone" to 4) How long after the war do you think they should go on supporting the price of wheat?
7. What would you do if the price of wheat went to 90 cents and the prices of things farmers buy and farm wages stayed about where they are now?

8. (If decrease wheat production is answer to 7) What would you do with your land, then?
9. Is the Government doing anything now that you know of to support the price of wheat?
10. How about after the war--have you heard whether or not the Government is planning to support wheat prices then?
11. (If yes to 10) What are they going to do?
12. (If yes to 10) Does that mean that wheat prices will stay where they are now?
13. (If yes to 12) Will they stay there even if the prices of things you buy go down?

IF NO TO 14 tell R: There is a law now that wheat prices must be held to at least 90 percent of parity for two years after the end of the war. This doesn't mean any set price guarantee but the Government will try not to let wheat prices go down any more than other prices. Acreage restrictions are not mentioned in this law.

14. What do you think of this law? Do you think it will be good or bad for farmers?
15. Why do you think so?
16. What do you think would have happened to wheat prices in the first two years after the war if they hadn't passed this law?
17. How about here on your farm--do you think you will produce as much, more or less wheat in the first two years after the war as you are now?
18. Why are you planning that way?
19. IF YES TO 10. Do you think that the law we have been talking about will affect your production plans for wheat?
IF NO TO 10. Now that you know about this law do you think it will affect your production plans for wheat?
20. Why will it or won't it affect your plans?

We've been talking about the production side of the picture for wheat in the first two years after the war, the period in which the price support law is in effect. Now:

21. Do you think the demand for wheat in this period--the first two years after the war--will be about the same, larger, or smaller, than it is now?
22. What do you think the foreign demand will be like in that period?
23. What do you think the demand in this country will be like?
24. Looking at the whole picture for wheat, the production and demand sides--do you think there will be a surplus produced in the period that this law is in effect--that is, the first two years after the war?
25. Why or why not?
26. Suppose surplus wheat is produced in this period, do you think the Government should try to do something about it or not?
27. If the Government does try to do something about a surplus of wheat it could take measures to hold down production so that no more wheat would be produced than could be used. What do you think of this?
28. Why do you think so?
29. Another way would be to have no cut back on production and if there is a surplus, buy it up at a support price and dispose of it in whatever ways they could. What do you think of this?
30. Why do you think so?
31. IF PREFERENCE BETWEEN 27 AND 29 NOT ALREADY CLEAR. In the two years we have this price guarantee which way of handling surplus wheat do you think better--production control or government purchase and distribution of surpluses?
32. Why do you prefer that?
33. If the Government buys surplus wheat, what do you think they should do with this wheat?
34. What do you think of the idea of the Government selling it below cost for feed to farmers in parts of the country where they are short of feed?
35. Why do you think so?

36. If the Government does try to decrease production of wheat, how do you think it ought to go about it?
37. What do you think of the idea of asking farmers in all areas of the country to cut their wheat acreage by a certain percent?
38. You know they did something like that before. What improvements could be made over the way it was handled then?
39. Would you be willing to cut your wheat acreage by one-fourth in order to get the price which this 90 percent of parity law guarantees?